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Rural Lines

RURAL ELECTRIFICATION ADMINISTRATION • U. S. DEPARTMENT OF AGRICULTURE

MAY
1958

Planning for Business Security

Business Security Is the

Ability of Your Cooperative

To Stay in Business

Market

Facilities

ly

ning

ships

Estimating
Market

Planning
Physical
Facilities

Business
Security

Financial
Planning

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CURRENT SERIAL RECORD

Power
Supply

MAY 21 1958

Human
Relationship

U. S. DEPARTMENT OF AGRICULTURE

OBJECTIVES

POLICIES

PROGRAMS



**Directors Plan for a Secure Future
See Page 3**



A Message from the

ADMINISTRATOR

on REA's 23rd Birthday

MANY rural electric and telephone systems, in all parts of the country, are observing REA's 23rd anniversary this month in a fashion which demonstrates again their important place in the national economy.

They are expediting the start of necessary construction and the placement of purchase orders for needed equipment and supplies, and are spearheading local "buy now" campaigns in the electric appliance and equipment and water systems fields.

Their three-fold objective is:

- 1) to further the orderly progress of their own affairs;
- 2) to raise the employment and trade levels of their own communities;
- 3) to start the job-making and business-creating ripples that can spread from shore to shore in the pool of our national economy, stimulating the early start of the inevitable upturn of prosperity.

That the officers and managers of these rural utility systems should take the lead in this nationwide program does not surprise me. Time and again they've proven their leadership in the civic and business affairs of the communities they serve. I am confident of their ability to lead on this broader, vaster scale.

Administrator.

David G. Hamel

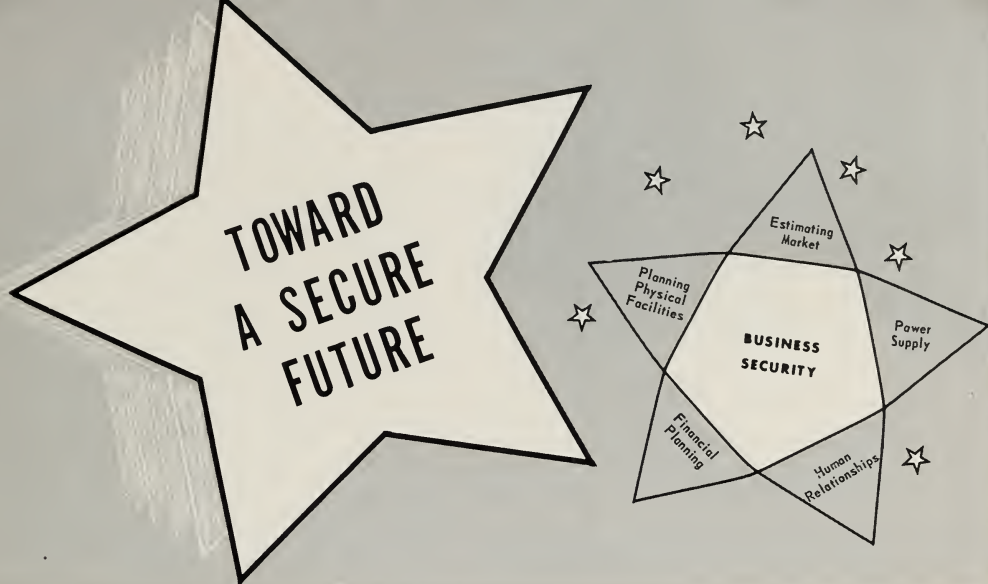
Rural Lines

THIS MONTH'S COVER

Like hundreds of others, these four Minnesota directors were sold on REA's Business Security presentation. Talking it over after their meeting in Alexandria, Minn., are (left to right): Kenneth Baldry, Traverse Electric Cooperative, Wheaton; Lewis Baker, Runestone Electric Association, Alexandria; Paul Bentfield, Stearns Cooperative Electric Association, Melrose, and Harold Bartz, of Traverse Electric.

Editor: Hubert Kelley, Jr. This month's contributors: Virgil Hassler, Don Runyon, William Baker, Louisian Mamer.

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REA'S first business security presentation, which offers directors and managers of rural electric cooperatives a new, unified approach to long-range planning, will be offered to still more borrowers during 1958.

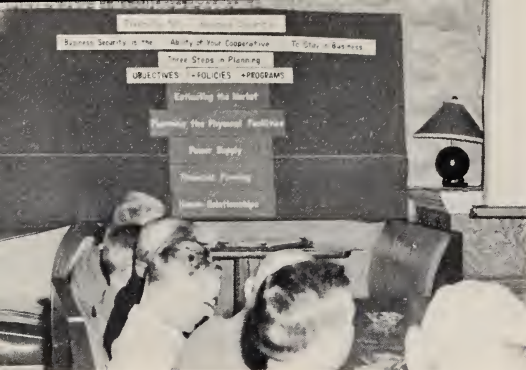
Since the meetings have begun, a number of boards have drafted clear-cut objectives and policies to help guide their co-ops toward a more secure future. Many boards which had already made long-range plans felt that the presentations confirmed the wisdom of charting the course ahead.

The first round of meetings has just been completed in one REA area—the North Central—which includes the states of North and South Dakota, Minnesota, Wisconsin, Iowa, and Illinois. The North Central business security team embarked on a pilot series of presentations in June 1957, shortly after proposed guidelines for the meetings were approved by REA's Electric Advisory Committee. Since its first session in Elk Point, S. Dak., the team has led 47 meetings, winding up last

month in Virginia, Minn. Directors and employees of all electric borrowers in the 6-state area have had an opportunity to attend.

Attendance figures for the North Central meetings indicate the importance which co-op directors and employees attach to long-range planning. A total of 1,502 people attended the 47 one-day sessions, including more than 1100 officers and directors and 200 managers. In addition, scores of assistant managers, office managers, engineers, line superintendents, electrification advisers, and attorneys heard the 6-hour presentation.

Purposely, the first business security meetings cover a lot of ground. In past years, areas which require advance planning by directors have been discussed only on a piecemeal basis. The current series of meetings, however, which have been termed "a shotgun blast of information," mark the first time that an REA presentation has linked financial planning to other aspects of co-op management, such as estimating



At Business Security meeting in Alexandria, Minn., H. A. Whittle, assistant director of North Central Area, emphasized importance of long-range financial planning.

the future market, system expansion, power needs, and public relations.

In all North Central meetings, all illustrations and system maps were drawn from the actual experience of a typical co-op—usually one whose directors were present at the meeting. Step by step, the REA team showed how decisions made by that board today might affect the co-op next year, or in 5 years, or in 10 years. The presentation led one director to remark, “I hadn’t realized before how expensive one wrong decision could be.”

Members of the REA team did not attempt to spell out policies which should be adopted by co-op representatives. On the contrary, they emphasized that “one man’s meat is another man’s poison.” But they did make it clear that the future security of electric co-ops depended in large measure on the ability of directors to make some kind of estimate of future needs, and to plan accordingly.

Differences in co-op problems were underscored by discussions at the meetings. At one session, for example, a manager said he expected an increase in idle serv-

ices in his area as the trend toward consolidation of farms continued. But a director from another co-op said he was experiencing an increase in extensions to tenant facilities. Still another manager pointed out that resort connections were more than offsetting the loss of farm consumers in his area.

In spite of differences, directors reached agreement on one important general objective for their co-ops. Bulletins of a number of borrowers in the North Central area show that it has been widely adopted by co-op boards:

General Objective. To assure the availability of a constantly high quality of central station service to our members and to all persons within our service area not already served, in whatever amounts they will use, and at the lowest possible cost consistent with sound management of the cooperative.

The REA team pointed out that to attain this objective, it was the responsibility of directors to frame policies for the long-range guidance of managers and other co-op employees. Sample policies developed at the business security meetings include the following:

Estimating the Market. To establish and maintain a long-range forecast of future consumption by classes of consumers, through the collection, analysis, and evaluation of all information bearing on the use of electricity by our members.

Planning Physical Facilities.
 (1) To establish specific operating objectives. (2) To require development and maintenance of a long-range engineering plan. (3) To make investments in the

system only on the basis of proven need in line with a target plan. (4) To appraise the system at least annually and to make decisions with respect to the adequacy of service and the immediate construction program.

Power Supply. (1) To maintain a continuous appraisal of all possible power sources to assure a continuous and adequate supply at the lowest possible cost. (2) To coordinate power cost and engineering studies, long-range planning, and negotiation with other systems buying power from our suppliers. (3) To establish a working relationship with our power suppliers at both top and local levels to assure that they and we are advised of each other's needs.

In the field of human relations, directors were encouraged to give attention to developing policies affecting power use, public and member relations, and employee relations. As a start, the REA team suggested that directors begin by clarifying relations between the board and the manager.

Discussions were held at all meetings of those areas of financial planning in which policy considerations are important. While the REA team did not recommend any particular policy, it did show what some of the effects of various policies might be, and how they were related to one another.

Some sort of financial policy, it was agreed, seemed advisable in each of these areas:

Future requirements. To make forecasts of requirements for operating expenditures, new plan, system improvements, and replacements, and to use the forecasts.

Sources of funds. To make appropriate decisions as to how fast a co-op wants to accumulate a net worth and how much reliance it wants to place on the availability of outside financing. (The level of retail rates is one of the major factors in determining how fast net worth will accumulate.)

Handling of funds. To determine where the co-op is heading, when it will get there, whether the objective is what is wanted, and what ought to be done about it.

Almost all directors and managers who heard the presentation asked for more meetings in the future which would cover each planning area in detail. Lloyd Zimbrick, manager of the Traverse Electric Cooperative, Inc., Wheaton, Minn., said after a meeting in Alexandria, Minn., "It's been a very good session, but we've just scratched the surface. I hope we can have more of these, taking one area of study at a time."

In response to such requests, REA is presently planning additional meetings which will do just that.

Directors and co-op managers in Alexandria wrestled with three steps in planning for the future—defining objectives, formulating policies, and devising programs.





A
"Hit"
for
\$40

THE LRE symbol is a familiar sight to farm people in nine Central Ohio counties. LRE stands for Licking Rural Electrification, Inc., an REA borrower with headquarters in Utica, Ohio.

About 18 months ago, when this story begins, the symbol meant more than that. To its 5,688 consumers (5,016 of them farmers), LRE stood for adequate electric power and reliable service. To its 25 employees, it meant a regular paycheck. And to its community, it stood for an important local business enterprise.

To the co-op's electrification adviser, Russell Reiter, LRE stood for all those things. But Reiter wasn't satisfied with being one of the few people in the area to see the whole picture. He wanted LRE to mean many things to all people in the area.

So Reiter, who had dabbled with home movies, decided to produce a film. He also was writer, photographer, and director. The cast featured local citi-

zens and co-op employees in the starring roles, with Utica's familiar streets and Licking County side roads as the setting.

These days, when professional movie makers boast of multi-million dollar spectacles, movies may seem out of range to co-ops. Yet Reiter's movie (he already owned a 16 mm camera) cost the co-op only \$40, plus some 10 days of the adviser's time. And it's a color movie.

What's more, it is a good movie. In spots, of course, it lacks professional polish, but polish isn't very important to people who can see their friends and neighbors on the screen. For LRE, the film shows more vividly than words the impressive economic and social contribution the co-op makes to its community.

The 18-minute silent film depicts what rural electrification means with respect to improved living conditions in farm homes. To remind rural families of the "dark ages," Reiter's young daughter posed with her school-

books by a flickering kerosene lamp—a light so dim that the photographer had to add some concealed electric illumination to get the pictures.

The film then shows how electricity goes to work for the farmer—relieving him of drudgery, helping him to increase production. John Smith, a farmer living near Utica, comes into LRE headquarters to apply for a line to his pig brooding house. The camera follows all subsequent developments, from the submission and processing of Smith's application to staking crews in the field, clearing of obstacles, installing the line, and the final meter check—right on down to turning on the power.

A trouble call comes in. By coincidence, it is from the same Farmer Smith. (This really was a coincidence, though Reiter has trouble convincing anybody of it.) LRE puts to work an important tool in its daily operations—its two way radio equipment. Reiter's camera follows the action from receipt of the outage report, through dispatch from the manager's office, pick-up by one of LRE's four service crews, and finally to the linemen replacing a transformer fuse to restore service.

The scene switches back to the co-op, to shots of the president, manager, and board members. They appear in action, fulfilling their duties, holding meetings, consulting with the co-op's legal adviser.

Then the camera picks up office personnel at work keeping records of the co-op's operations, billing, making out the payroll,

and repairing equipment.

The camera follows the manager out of his office and down the main street to the bank, where the bank president and cashier accept the co-op's receipts. Finally, Reiter simply wandered down Main Street, turning the camera on the stores of electric appliance and equipment dealers. With that brief stroll, he let his camera tell the story of what LRE has meant to the town's business community.

While the film is silent, Reiter feels that this is an advantage rather than a disadvantage. A relaxed speaker, he narrates the film as action progresses, altering the narration slightly depending on the composition of the group watching the movie.

So far, the film has been shown to more than 30 different farm and business organizations, civic clubs and school and church groups in and around Utica. Reiter precedes each showing with a 12-minute introductory talk, in which he gives the background of LRE and the REA program.

Response has been so gratifying that LRE now is considering another film—this one to be devoted to power use on small and large farms, including coverage of the fully electrified dairy farms in LRE's area.

Reiter admits reaction to the film exceeded expectations. "When we set out to film the story, we weren't sure how to go about it. We did the best thing we knew to do—we simply filmed our consumers and our employees at their daily tasks. Before we knew it, we had told our story." (*For scenes from film, turn page . . .*)



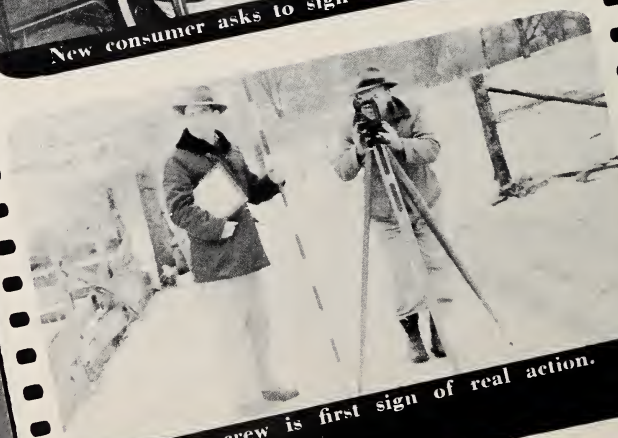
To bring more light into her dim world . . .



. . . manager and lawyer ask for new loan.



New consumer asks to sign up for service.



Staking crew is first sign of real action.

Scenes from
Russell Reiter's
\$40
COLOR
MOVIE



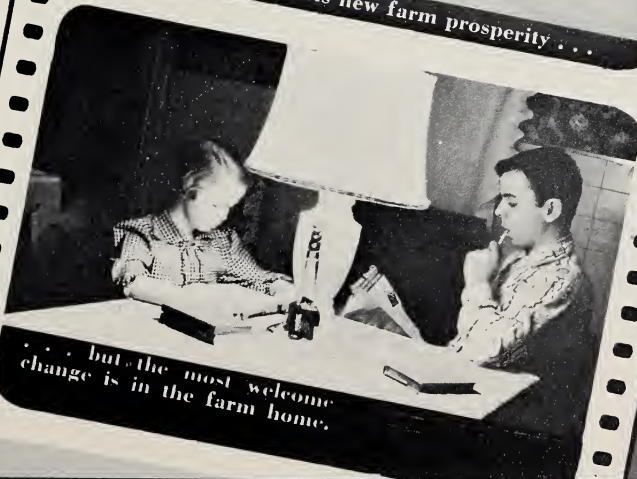
Soon after, linemen and equipment arrive...



... and another farm has electricity.



Main Street reflects new farm prosperity ...



... but the most welcome
change is in the farm home.

POWER USE EXCHANGE



YOUTH BUS — Arkansas State Electric Co-op is using a new tool to help educate future electric co-op members. This is an air-conditioned bus which was bought to carry youths on various tours. Three groups of junior and senior high school students in area served by *North Arkansas Electric Cooperative Corp.*, Salem, made the first bus tours during the week of January 19. Youths visited the Norfork dam power installation and made a guided tour of co-op headquarters. Co-op employees explained their duties and gave demonstrations for the visitors. Similar tours are being arranged for other Arkansas rural electric systems.

UP IN THE AIR—With the help of a co-op owned plane, Power

Use Adviser George Hoynes of Big Flat Electric Cooperative, Malta, Mont., gets a big day's work done on time. January issue of *Montana Rural Electric News* pictured a typical Hoynes' working day: 9 to 10 a.m.—gave an adequate wiring demonstration to a vo-ag class in Malta; 10:15 a.m.—flew to Loring to check a high-bill water heater complaint; on foot, negotiated an application for service at a trailer home in Loring and visited a new heating installation to get a success story; accompanied a supplier to discuss house heating with member; 12 noon—flew to Hogeland to read meter at Hogeland Radar Station; flew back to Malta for meeting on electric heating; 4 p.m.—made layout and cost estimate on house heating installation. Road miles—200; air miles—100.

REA Electric Borrowers:

Have you completed and returned REA's request for information on your Construction Plan and Loan Requirements for next year?

If not, please complete and return as soon as possible. REA needs this information for program planning.

Information and assistance in completing the form may be obtained from your field representative or area office.

23RD BIRTHDAY—REA starts its 24th year with emphasis on a stepped-up sales program for borrowers and cooperating dealers. To help all borrowers sell more kilowatts and to get more equipment on their lines, REA has prepared three sample TV spots on wiring, water systems, and care of small appliances. Spots are available from *Information Services Division, REA-USDA, Washington 25, D. C.*

Illinois Groundman Wins Lifesaver Medal

ARTIFICIAL respiration is an old story to William H. Leonard, truck driver and groundman for the Clinton County Electric Cooperative, in Greenville, Ill. He has been practicing it in first aid classes during all the 16 years he has been with the co-op.

"I didn't think much about it," Leonard said. "I had never used it on anybody who needed it. I'd never seen it used. I wasn't even sure it worked."

Then on April 23, 1957, Leonard had his chance. His crew was out replacing an old pole with one that was 5 feet higher. Lineman Joseph Huelsmann was up on the old pole, when Leonard heard the foreman yell. He glanced up and saw that Huelsmann was in trouble.

"He was gripping an energized line with both hands," the groundman recalls. "There was a little curl of smoke coming out of his trouser legs, and there was smoke around his wrists. I ran to the pole, grabbed a hand line, and yanked on it until Huelsmann shook loose."

His belt still around the pole, Huelsmann slipped down almost to the ground. Leonard managed

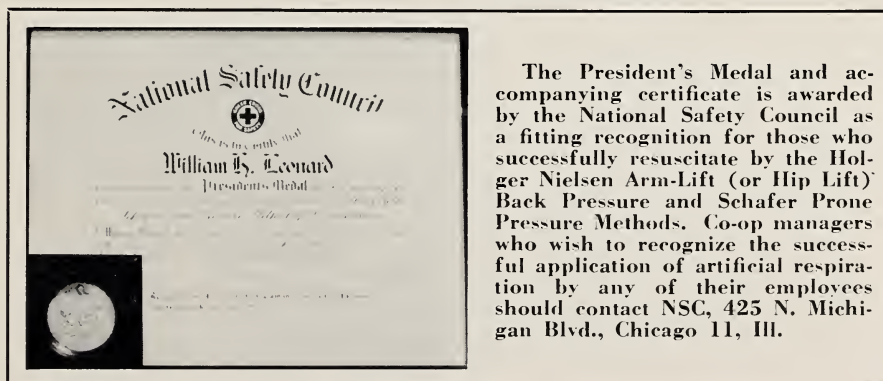
to unsnap the victim's belt, and took a look at him.

"I figured he was dead," Leonard remembered. "He was black and blue and he wasn't breathing. But I pulled him to one side and started giving him artificial respiration."

In the stress of the moment, he couldn't recall the newer Arm-Lift method of resuscitation. Trained in years of practice sessions, he automatically began the Shafer Prone Pressure method.

"I don't know how long I would have kept it up," Leonard said, "but at the end of 15 minutes I hadn't thought about stopping. But I remember that I couldn't believe my eyes when Joe caught his breath all of a sudden, sat right up, and said, 'Okay, I'm all right.' And except for slight burns on his hands, he was."

For his prompt action and correct use of the Shafer Method to bring Huelsmann back, William Leonard has been awarded the National Safety Council's President's Medal and Award. It was presented to Leonard at a luncheon held March 28 as part of the 14th Annual Illinois Job Training and Safety Conference, in Springfield, Ill.



...Lower Power Cost

A TEAM approach to bargaining with their power supplier has paid off with a 10-year contract and immediate saving in wholesale power bills for 14 Ohio rural electric cooperatives.

Their new contract with the Ohio Power Company, Canton, came after 18 months of negotiation by a special committee representing the 14 co-ops. Serving on this team was Darwin Kindler, manager of South-Central Rural Electric Cooperative, Lancaster, Powers Luse, manager of Hancock-Wood Electric Cooperative, New Baltimore, and Clyde Ramsey, assistant manager of Buckeye Rural Electric Cooperative, Gallipolis. The trio was supported by several technical consultants.

The Ohio co-ops feel that their new wholesale power agreement is a good deal, particularly when measured against power cost developments in neighboring states. Initial savings under the new contract may amount to 3 percent for some of the distribution co-ops. Previous contracts with

Ohio Power extended only 5 years.

The terms of the new contract are better than any his co-op has gotten in any previous purchase agreement with a private electric company, Hancock-Wood's President Gene Metz says. Manager Powers Luse, speaking from knowledge gained as a member of the negotiating committee, calls it the best power purchase contract in the Northeast quarter of the United States.

One feature of the new contract has been described as "a built-in power use stimulator." This gives the co-ops a 12½ percent reduction in the energy billing rate when load factor exceeds 50 percent for the month. The energy charges drop from 4.8 mills to 4.2 per kilowatt hour for all energy used in excess of 365 times the Kva of monthly billing demand.

Estimates on the total value of the power which will be bought under the contract in the next 10 years range from \$30 million to \$50 million. During the 1957 fis-

PIONEER WINS POWER SAVING—Another Ohio borrower made power-full progress in March.

REA's approval of a \$7,200,000 loan to Pioneer Electric Cooperative at Piqua will enable the co-op to build a 20,000 kw steam generating plant and 133 miles of 69 kv transmission lines. The City of Piqua will lease-operate the facility paying a rental sufficient to amortize the REA loan for the plant, and sell Pioneer power at an average cost of 6.5 mills per kwh, a reduction from the 9 mills now charged Pioneer. The City of Piqua has supplied power to Pioneer since its organization nearly 23 years ago.



Solid dots on the map locate the 14 Ohio co-ops that joined in power bargaining.

cal year, the 14 co-ops paid Ohio Power about \$2.5 million for energy. The cost per kwh averaged 7.5 mills.

The Ohio rural electric cooperatives considered other possible sources of power before accepting the Ohio Power offer. One was the construction of a new generating and transmission system. Another possibility, for some of the rural systems, was power from the St. Lawrence Seaway hydro facilities. In the showdown, neither looked as good as the contract obtained after 18 months of give-and-take negotiation.

Insight into the spirit prevailing at the bargaining table is given in a report which the Tuscarawas-Coshocton Electric Cooperative made to its members last month:

"During these negotiations, the Ohio Power Company made it quite clear that we are very good customers and they will do everything that they can to continue to keep us as their customers. They are anxious to supply our power

requirements rather than have us get into the transmission and generation business here in the State of Ohio . . .

"Officials of the Ohio Power Company and officials of the electric cooperatives made it quite clear to each other that neither was interested in buying facilities of the other but agreed that there is a definite place in the American economy and business for both power companies and electric cooperatives."

Other co-ops in the group are: Belmont Electric Cooperative, St. Clairsville; Carroll Electric Cooperative, Carrollton; Guernsey-Muskingum Electric Cooperative, New Concord; Holmes Rural Electric Cooperative, Millersburg; Licking Rural Electric, Utica; North Central Electric Cooperative, Atica; Northwestern Electric Cooperative, Bryan; Paulding-Putnam REC, Paulding; United REC, Kenton, and Washington Electric Cooperative, Marietta. All are active borrowers from REA except United, which paid out in 1956.



Grim Punishment for Demolition Mistakes

IT is a rare thing to read in the morning paper about an explosion in a dynamite plant. It's just as uncommon to read about explosives blowing up en route to a customer. Unfortunately, however, it is not unusual at all to read about serious accidents to the men who use the dynamite.

Manufacturers and distributors of dynamite have respect for the product they handle. They abide by the rules. But the user—and the occasional user in particular—frequently is ignorant of even the most elementary of rules for handling explosives. And dynamite doesn't give a careless man much chance to profit by his mistakes.

Since the REA program began, three employees of REA electric borrowers have lost their lives through mishandling of explosives. Others have been injured. Proper training, care, and attention to the following basic principles could have prevented all these accidents:

- Be thoroughly familiar with Federal, State, and local laws and regulations pertaining to the transportation, storage, and use of dynamite. These regulations are the product of past experience with explosives.

- Store dynamite in a magazine which complies with all regulations. It should be clean and dry, reasonably cool and well ventilated, substantially constructed and bullet-proof, and securely locked.

- Never store or transport both dynamite and caps in the same container.

- When it is permissible to transport both dynamite and caps in the same vehicle, be sure they are in safe containers, well separated from each other and away from heat or other sources of ignition. Prohibit smoking near the magazine, on the truck, or on the job close to the explosives.

- Always handle both dynamite and caps carefully, avoiding jars, rough treatment.

- Do no radio transmitting while electrical exploders are being put into or taken out of their containers, or while exposed exploders are within a range of 100 feet of the vehicle antenna.

- Perform no electric blasting within one mile of a commercial or other permanently located broadcasting station. If it is necessary to blast within that range, it is recommended that blasts be detonated with Primacord and regular cap and fuse. (See REA Bulletin 168-3, dated March 7, 1955.)

- One man in each area or crew should be responsible for all blasting, and he should know his business thoroughly.

- Keep all unnecessary people out of the danger area around a blast. Only the man in charge—and a helper if he needs one—belong there.

- The blaster should personally load the shot and make necessary electrical connections if electric caps are used. Before setting off the charge, he should make a final check to make sure all persons and animals are out of the blast area.

- Estimate the effect of each blast on nearby objects. A mat should be used to confine rocks and debris that could fly around.

- Know by heart the rules for handling a charge that has misfired.

- Under no circumstances leave dynamite or caps where unauthorized people or children can get to them.

All users of explosives should obtain and be guided by the BLASTER'S HANDBOOK, 12th edition, published by E. I. DuPont de Nemours and Co., Inc., Explosives Department, Wilmington 98, Del.

Rural Lines

Learning How to Budget
See Page 16





A "Do-It-Yourself" Budget Workshop

A UNIQUE "do - it - yourself" budget workshop on making operating budgets for rural telephone systems was introduced to borrowers in historic Charlottesville, Va., on March 18-19.

Twenty-four representatives of 12 REA telephone borrowers and two applicants from Virginia and West Virginia took part in the experimental course. They were equipped with their system's operating reports for 1957, general ledgers, and adding machines. Each worked on his own system's operating budget under the guidance of REA staff advisers.

The student budget-makers were high in their praise of the workshop as an unusually effective means of teaching the know-how and the fundamentals of budgeting. Yards of adding-machine tape and jottings attested to their labors. "It was a real workout and a very valuable one," in the words of one system bookkeeper.

REA advisors passed out budget worksheets and answered question after question above the clacking of adding machines, as

system presidents, managers, and bookkeepers waded through their operating budgets. The worksheets constituted a 6-step exercise in planning and compiling the budget.

Workshop sessions stressed the importance of the operating budget as a management tool.

At the end the student budget-makers paid the workshop an unusual tribute. They formed a committee for the express purpose of arranging for future workshop sessions on other subjects of common interest to Virginia and West Virginia borrowers.

Post-workshop comments by borrowers' representatives:

"It was most effective and helpful."—Donald E. Roush, president and manager, Home Telephone Company, New Haven, W. Va. Mr. Roush also is president of the West Virginia Telephone Association.

"We learned a good deal about the operating budget. The idea of the workshop in concentrating on a single subject like the budget

proved to be most effective.”—L. John Denney, president and manager, Raphine Telephone Company, and Central Virginia Telephone Corporation, Amherst.

“The workshop was very instructive and of immense help.”—Mrs. Richard Eyler, Secretary, Merchants and Farmers Telephone Company, Beaverdam, Va.

The REA Workshop's

Six Basic Steps In Making an

Operating Budget

USING Worksheet 1, bookkeepers estimated the number of subscribers in each class—from Business-1 party to Residence multi-party—for each month in the coming year. They also estimated the number of extras, such as service stations, extensions, connection charges, etc. During the year ahead, they will compare each monthly estimate with the actual number of subscribers.

- On Worksheet 2, bookkeepers

converted the number of subscribers into revenue dollars by applying station rental rates to the estimated number of stations.

- On Worksheet 3, students estimated toll and miscellaneous revenues for each month, and added these figures to estimates of local service revenues.

- Worksheet 4 provided a simple method for estimating payroll, transportation, and depreciation expenses for a single base



The workshop ended with a pile of adding machine tape and general gratification. Happy that they have learned the technique of budgeting are William Osborn (left), Central Virginia Telephone Corp. and Raphine Telephone Co., Amherst, Va., and John Hieshman, Farmers' Mutual Telephone System of Shenandoah County, Edinburg, Va. Both men are bookkeepers.



The bosses accompanied their bookkeepers. With Bill Osborn is L. John Denney, president of Central Virginia and Raphine; Warren B. French, Jr., general manager of Farmers' Mutual observes bookkeeper Hieshman.

month, and for allocating them to various expense accounts. Figures derived provided supporting data for worksheets to come.

- Worksheet 5 listed each major category of operating expense, including maintenance, traffic, commercial, general, and insurance. Bookkeepers at the workshop learned how to estimate monthly budgets for each category. As with the other worksheets, they will compare actual expenses with their budget estimates as the year goes by.

- On Worksheet 6, bookkeepers estimated other deductions from revenue, and came up with monthly estimates of both accrual margins and the borrower's cash position. The latter is of particular importance to REA borrowers in view of the principal repayment requirements of their loans.



Work, not words, marked workshop sessions. Applying themselves to budget-making are Donald F. Roush, president, Home Telephone Co., New Haven, W. Va. (left); and William R. Dunn, manager, and Arthur Lee, bookkeeper, Citizens Telephone Co-op., Floyd, Va.

First New Hampshire Borrower Cuts Over to Dial

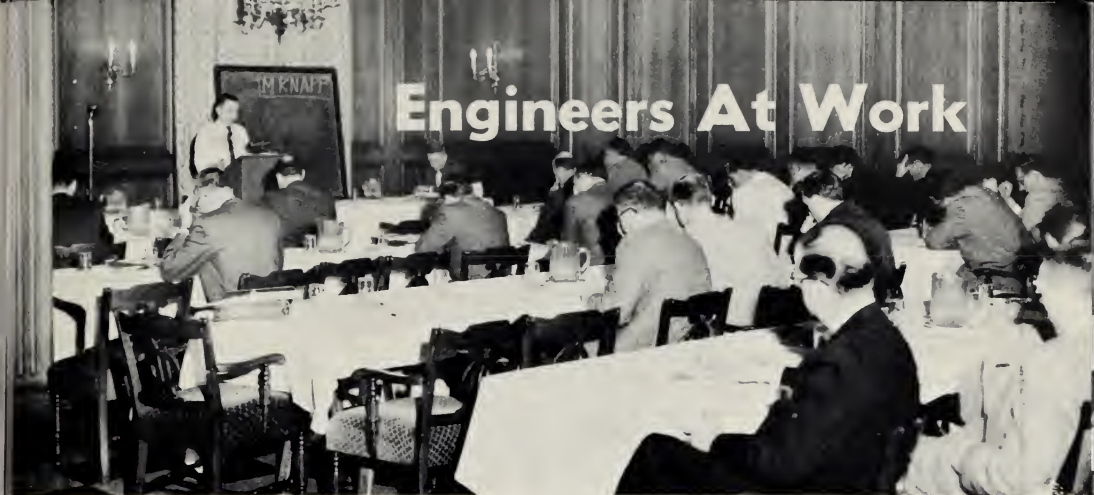
"THIS is the first REA telephone borrower in New Hampshire, and I hope it won't be the last," Chairman Harold K. Davison of the New Hampshire Public Utilities Commission stated at central office cutover ceremonies, April 1, for the Chester exchange of Chester Telephone Co., Manchester.

Approximately 300 people attended ceremonies, including officials of other New England telephone borrowers, New England Telephone & Telegraph Co., telephone equipment suppliers, and REA, and residents of the Chester area.

Program included a ribbon-cutting symbolizing cutover from "old" phones to new dial telephones, a buffet luncheon, a tour of the central office. Charles Olivier, first selectman, Town of Chester, conducted the program.

Chester exchange, which serves 675 main stations, is first of three exchanges totaling 1200, to be cutover to dial by the borrower. Company officers are President and Manager John Rand of Chester, and Business Manager and Treasurer Loren Rand, who arranged the celebration.

Engineers At Work



Frequently meeting for more than 8 hours a day, 160 telephone engineering consultants, borrower representatives, and REA engineers worked their way down through more than a foot of specifications, bulletins, and papers during REA's Telephone Technical Symposium, held in Memphis, Tenn., March 24-28.

More than 100 representatives of 61 consulting firms registered for the 5-day symposium, along with 31 employees of 21 REA telephone borrowers and applicants. Twenty-four REA telephone engineers, directed by Raymond W. Lynn, chief of the telephone engineering division, organized and led the discussions.

New Developments Discussed

A major portion of the symposium program was devoted to design and application of several important new developments in telephone engineering, including buried plant for rural areas, color coded plastic cable specifications, and radio dial telephony. In other sessions, engineers reviewed changes affecting area coverage design, microwave, central office equipment, transmission, carrier, and protection of aerial plant.

"These symposiums are one of

the best things that REA can do to help the telephone program," commented one registrant, John R. Ragland, of H. N. Roberts & Associates, Lubbock, Tex. "We engineers have to have a thorough understanding of the begin-



REA Engineer William Nichols (left) registers John R. Ragland, consulting engineer from Lubbock, Texas, and A. W. Sanders, president, Southeast Iowa Telephone Co., New London, Iowa.



REA Engineer Charles R. Ballard shows the general arrangement of cable within a buried cable terminal to engineering consultants in Memphis.

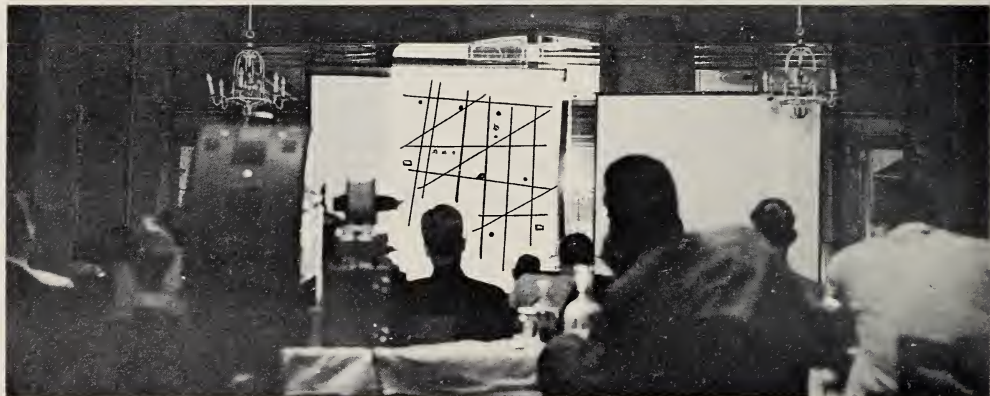
ENGINEERS AT WORK

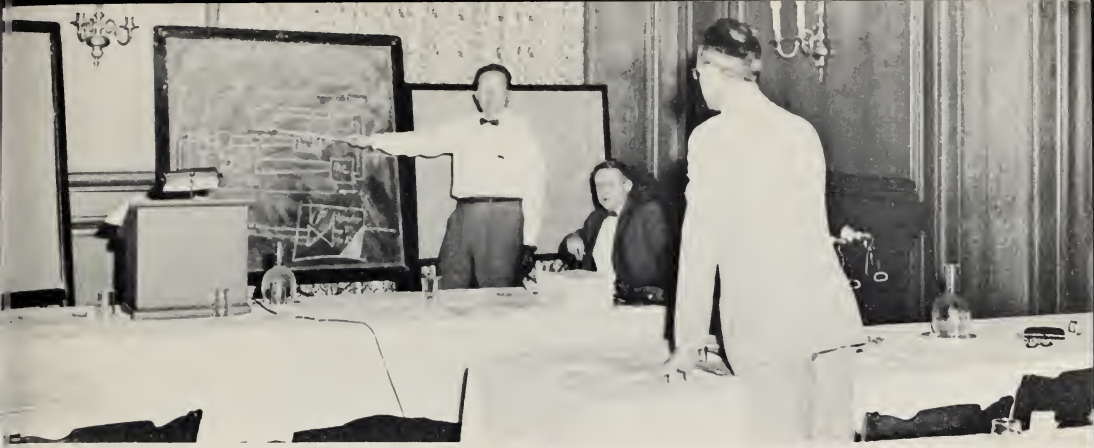
ning, middle, and end of telephone design, since you can't separate design from operation. As far as I'm concerned, I got the answers to most of the questions that have been worrying my firm."



During break for lunch, Assistant Engineering Chief Thomas J. McDonough (foreground) describes use of traffic recorder to interested engineers.

Symposium visitors were literally "in the dark" much of the time, as REA spokesman used slides and drawings to clarify complicated engineering points.





There were lots of questions. Frank B. Lindley, consultant from Medford, Oreg., rose up on his toes to challenge REA Carrier Engineer Joseph Flanigan. Assistant Chief Hoburg Lee (seated) was group moderator.

Stretching into the night were informal discussions, like this one between William Newman, Jr., (left) assistant telephone engineering chief, and Camilo Castro, consulting engineer from Atlanta, Ga.



At the buried cable session, Ragland and Sanders pore over another two inches of reading matter. Ragland's firm is consultant to Sanders' telephone company.



Indiana's Answer to the Accountant Shortage

BORROWERS in Indiana are making the most of the USDA Graduate School course in REA Telephone Borrower Accounting to help relieve the shortage of trained bookkeepers.

Telephone borrower personnel enrolled for the course in that State account for about one-third of the total signed up in the Nation. Twenty-eight employees and directors of 17 Indiana co-ops and companies currently are completing lessons. In addition, borrowers there have initiated classroom instruction to help students fully understand the correspondence course and to encourage them to finish it.

Much credit for the big enrollment and the lecture series goes to three Indiana telephone co-op managers—Claude Zike, Jr., Hancock Rural Telephone Corp., Greenfield; William T. Palmer, Daviess - Martin County Rural Telephone Corp., Montgomery, and Norbert Peter, Perry-Spencer Rural Telephone Cooperative,

Tell City. The men currently are officers of the Indiana Telephone Borrowers Association, a mutual service organization of 19 borrowers. Zike is president, Palmer, vice president, and Peter, secretary-treasurer.

"When we heard about the correspondence course," Zike explained, "we decided to go all out for it. There seem to be very few trained telephone accountants around, so we're going to have to fill the vacuum ourselves."

The series of three lectures on accounting theory—which Zike credits with arousing interest in the correspondence course—will be delivered by REA Fieldmen Ralph Mills and Raymond Lohsl, both college-trained accountants. Each lecture will cover the theory behind four Graduate School lessons. As in other parts of the country, students will complete their own lessons and problems individually, mailing them to the Graduate School for grading as they complete them.



has satisfactorily completed the U. S. D. A. Graduate School
BOOKKEEPING AND ACCOUNTING CORRESPONDENCE COURSE
relating to Theory and Practice of Accounting for REA Telephone
Borrowers, and is hereby awarded this Certificate of Proficiency

Done in Washington D. C. this _____ day of _____, 19____

ADMINISTRATOR
RURAL ELECTRIFICATION ADMINISTRATION



REA will award a certificate to students successfully completing the advanced course in borrower accounting. Indiana borrowers plan to award their own certificate to students passing the elementary course.



Responsible for Indiana's record enrollment in the course were State association officers Norbert Peter (left), William T. Palmer, and Claude Zike, Jr.

The first lecture was an all-day affair held in Bloomington, Ind., in March for students from all over the State. Some drove 170 miles to reach the "school," and 25 out of the 28 signed up for the course managed to attend. A number of borrowers sent two or more employees, and the Southeastern Indiana Rural Telephone Cooperative, in Dillsboro, sent five enrollees, including Manager Robert G. Elder and two directors.

Louis Obendorf, one of the directors, explained that by taking the course, he hoped to give his fellow board members some tech-

nical assistance in making decisions involving record keeping.

"I'm afraid that accounting is still too much of an abstract thing to many boards," he said.

The next two monthly lectures will be delivered by Mills and Lohsl at several points nearer to borrowers' headquarters. The instructors plan to wind up the first 12 lessons by June 18, when the statewide association will hold a 2-day annual meeting in Indianapolis for all borrower employees. At that time, Zike plans to award certificates of completion to all students who successfully complete the first part of the correspondence course.



Borrower employees enrolled in a USDA correspondence course in accounting came from all parts of Indiana to attend a lecture in Bloomington on accounting theory.

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